

# Affordable Rental Housing Recovery Program



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# Rental Program Requirements

- ❖ Federal
- ❖ State
- ❖ Subrecipient
- ❖ Compliance and Reporting



# Federal & State Requirements

- ❖ CDBG disaster recovery funds can be used to acquire, rehabilitate or construct affordable rental housing.
- ❖ Like other CDBG activities, rental activities must meet one of the three National Program Objectives (NPO).
- ❖ Low/Moderate Income (LMI) benefit is selected as the NPO for rental activities.



# Federal & State Requirements

- ❖ At least 51% of the units must be occupied by LMI households at restricted rents to qualify
- ❖ Single units must be occupied by LMI households
- ❖ Two unit structures – at least one unit must be occupied by LMI household



# Federal & State Requirements

Rents must be restricted for the LMI designated units

- ❖ Rents must comply with High HOME rent limits or HUD approved project based rents
- ❖ Tenant paid rent, plus Utility Allowance plus rental assistance (if any) must be under the High HOME or HUD approved rent limit



# State Requirements

## Eligible properties

- ❖ Public or Privately Owned
- ❖ Residential single family structures
- ❖ Multifamily structures
- ❖ 100% low income
- ❖ Mixed income



# State Requirements

## Eligible expenditures

- ❖ Labor, Materials and other rehabilitation/construction costs
- ❖ Refinancing if necessary
- ❖ Energy efficiency improvements
- ❖ Utility connections
- ❖ Correcting lead based paint issues
- ❖ Accessibility improvements





# State Requirements

## Rental Housing Activities

- ❖ Regulations require 10.6% (Rounds 1 and 2 combined) of the disaster funds to be used for affordable rental housing programs.
- ❖ All rental activities in Round 2.2 will be administered through Subrecipients.





# State Requirements

Rental housing must comply with federal and state requirements

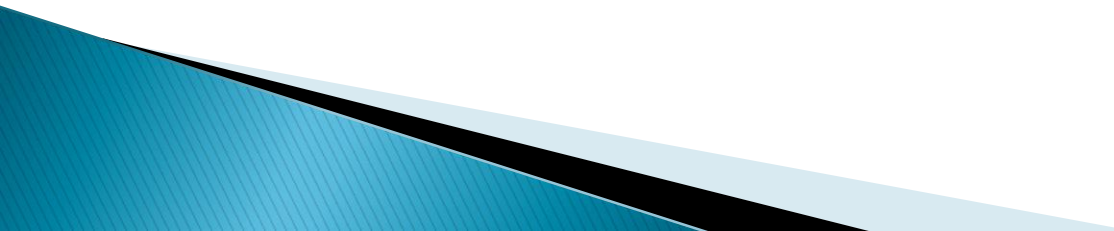
- ❖ Applicable local and state housing quality standards and code requirements
- ❖ Section 504 of the Rehabilitation Act of 1973
- ❖ Title 10, Chapter 60, Subchapter (B) (multifamily covered developments)
- ❖ Fair Housing Act
- ❖ 24 CFR Section 570.605 (if located in flood plain)



# State Requirements

## 2306.514 (affordable single family new construction)

Requires all single family constructed with state funds to meet visitability requirements including:

- ❖ No step entrance
  - ❖ At least one 36" entrance door
  - ❖ 32" interior doors, 36" hallways
  - ❖ Grab bars in baths
  - ❖ Plug and switches at approved heights
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# Labor Standards Applicability

- ❖ Single family & Multi-family projects with 8 or more units assisted with CDBG funds
- ❖ Davis Bacon and Related Acts
  - ❖ General Wage Decisions and Prevailing Wage Rates
- ❖ Fair Labor Standards Act
  - ❖ Establishes basic minimum wage rates and overtime for workers
- ❖ Copeland (Anti-Kickback) Act
  - ❖ Provisions prohibit the kickback of fees, wages, commissions, or granting of gifts such as an inducement of federal award
- ❖ Contract Work Hours & Safety Standards Act (CWHSSA)
  - ❖ Applicable to construction contracts that \$100,000 or more



# Subrecipient Requirements

For Subrecipients that will be soliciting applicants

- ❖ Prepare Guidelines
- ❖ Prepare Notice of Funds Availability (NOFA's)
- ❖ Application Intake
- ❖ Underwriting
- ❖ Make Awards



# Subrecipient Requirements

## Plan reviews required

- ❖ Plans submitted to review accessibility requirements.
- ❖ New construction—provide plans for fully accessible units and non-accessible units.
- ❖ Rehabilitation – 5% of the units must be fully accessible and 2% accessible to persons with vision and hearing impairments. (UFAS standards)
- ❖ If built after March 13, 1991 must comply with Fair Housing Act design and construction requirements. (if built prior to 3-91, it is not necessary to submit plan for non-accessible units)



# Subrecipient Requirements

## Labor Standards

- ❖ Appointment of Labor Standards Officer
- ❖ Preconstruction Conference
- ❖ Notice to Proceed (10-day call) authorizing construction start or continuations of construction
- ❖ Benchmarks tied to disbursements



# Subrecipient Requirements

## Set up and draw requirements

- ❖ Set ups and draws must be processed in the Housing Contract System
- ❖ Subrecipients will be responsible for entering development into contract system
- ❖ Subrecipients responsible for their awardees





# Reporting Requirements

- ❖ Monthly reports are required from Subrecipients to report progress and status of rental construction.
- ❖ Monthly progress reports are required from Subrecipients to report rental housing activity status.
- ❖ Both forms are available under Housing forms.



# Reporting Requirements

## Compliance Monitoring & Section 3 Reporting

- ❖ Quarterly reporting for LMI compliance
- ❖ Yearly unit status reports required for long-term compliance
- ❖ Property inspections required every three years
- ❖ Section 3 information



# Thank You – Q & A



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